

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

June 13, 1997

In Re:

**Universal Service Generic
Contested Case**

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Docket No. 97- 00888

**NOTICE OF CONTESTED CASE
AND HEARING OFFICER REQUEST**

I. INTRODUCTION

In 1995, the Tennessee Legislature passed telecommunication legislation to provide for competition in the telecommunications markets. Part of the legislation provides that, "Universal service, consisting of residential basic local exchange telephone service at affordable rates and carrier-of-last-resort obligations must be maintained after the local telecommunications markets are opened to competition." T.C.A. 65-5-207. The legislation directed the Tennessee Regulatory Authority ("TRA"), to adopt policies, rules and issue orders, to require all telecommunication service providers to contribute to the support of universal service.

Additionally, in February of 1996, United States Congress passed the Telecommunications Act of 1996 ("Telco Act") to further competition and reduce regulation for American Telecommunications Consumers. As part of the Act, a provision was made for preservation of Universal Service under section 254. Such preservation of Universal Service would provide a funding mechanism to insure access to telecommunication services for low-income, rural, insular and high cost areas at a cost comparable to those in urban areas for similar services. Under section 254 (b) (4) of the Telco Act, all providers of telecommunication services shall be required to "...make an equitable and nondiscriminatory contribution to the preservation and advancement of universal service."

On May 13, 1997, the TRA voted to open Docket No. 97-00888, *In Re: Universal Service Generic Contested Case (1997)* and appointed Director Sara Kyle as Hearing Officer. This Docket was opened by the TRA to develop the issues and to make findings of facts and conclusions of law in regard to Universal Service.

II. SPECIFIC REQUESTS

A. PARTICIPATION

At this time, the Hearing Officer is requesting that any and all parties who desire to participate in this proceeding affirmatively give notice to the TRA of their intent to participate. The Hearing Officer recognizes that interested parties may have varying degrees of interest. Therefore, the Hearing Officer requests that all individuals or entities who may be called upon to contribute to the Universal Fund, or have an interest in the proceeding, please respond to the TRA that they have received notice and note the anticipated level of involvement. For instance, being informed whether an individual or entity plans to fully participate or only monitor the proceeding, will assist the Hearing Officer in planning the procedural schedule in this Docket.

B. PROPOSALS FOR ORGANIZATION OF DOCKET

The Hearing officer is interested in comments from the parties regarding how the Docket should be organized to provide for a thorough, yet efficient, hearing of the relevant facts and issues necessary to make proper findings of facts and law. The Hearing Officer request that, if parties have suggestions on how Docket 97-00888 on Universal Service and Docket No. 97-00889 on Access Charges should be organized and coordinated, that the interested parties submit such suggestions.

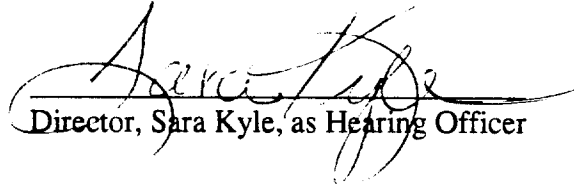
C. ISSUES TO BE CONSIDERED

The Hearing Officer request that the parties submit a list of issues that they believe are relevant and should be considered in this Docket. The parties should not include their arguments with the issues, but only provide a list of issues.

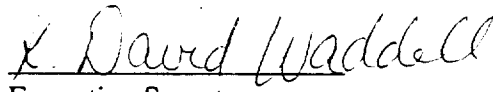
D. RELEVANT FEDERAL LAW, FCC ORDERS AND STATE LAW

The Hearing Officer is requesting that the parties submit Executive Summaries of what they anticipate the controlling law will be in this Docket. The relevant law should contemplate and encompass the Federal law, Federal Communication Commission's ("FCC") Orders, Tennessee law and relevant TRA orders.

The parties are requested to submit to the TRA their responses to the above referenced questions by **July 9, 1997**. The materials shall be submitted to the Executive Secretary, Tennessee Regulatory Authority, 460 James Robertson Parkway, Nashville, Tennessee 37243-0505.


Director, Sara Kyle, as Hearing Officer

ATTEST:


Executive Secretary
by JB